



Interim Report

January 1 – September 30, 2018

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RAUTE CORPORATION – INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2018

- The Group's net sales, EUR 126.8 million (MEUR 108.7), increased 17% on the comparison period. Order intake was EUR 138 million (MEUR 94).
- Operating profit was EUR 11.5 million (MEUR 8.1), showing growth of 42% on the comparison period. The result before taxes was EUR 11.5 million (MEUR 8.1).
- Earnings per share were EUR 2.10 (EUR 1.49) and diluted earnings per share were EUR 2.08 (EUR 1.48).
- Third-quarter net sales, at EUR 47.9 million, and operating profit, at EUR 5.6 million, were both at a record-high level. Order intake was EUR 42 million. The order book at the end of the reporting period came to EUR 121 million (MEUR 89), a significant proportion of which is scheduled for 2019 and some even for 2020.
- On September 17, 2018, Raute changed its guidance for 2018. Raute's net sales are expected to increase and its operating profit to improve in 2018 compared to the previous year.

TAPANI KIISKI, PRESIDENT AND CEO: RECORD-HIGH NET SALES AND OPERATING PROFIT IN THIRD QUARTER

Our performance in the third quarter was excellent and even surpassed our expectations. Thanks to the dedication of our personnel and solid collaboration with our partners, we were able to achieve record-high net sales. We also executed our deliveries on time and within the planned budget. We have also managed to keep growing cost pressures in check and also to resolve issues related to raw material and component availability. Just as important in terms of improving the near-term earnings outlook was that we were able to make room for new orders with competitive delivery times in our production plan.

Our order intake, at EUR 42 million in the third quarter, was also at a good level, bearing in mind that it did not include any major individual orders. Major mill projects that are in the negotiation phase are moving forward at a slow pace for various reasons. Despite euro growth, the share of technology services of new orders declined. In this good market situation, our customers continue to invest in new equipment rather than modernizing their old equipment.

Demand for our technology and services alike remains good. The focus of demand remains in the developed markets but is very slightly shifting from Europe to North America and Russia. Increased activity is also being seen in a few emerging market customer segments. Even after the investments initiated by many of Raute's traditional customers, the focus of demand has also shifted to customers that are new to Raute.

Even during this period of heavy workload and brisk demand, we continue to invest in developing new technologies, our service business and our presence and offering on the emerging markets, and consequently open new business opportunities.

Our realized year-to-date net sales and operating profit, strong order book and continued active demand reinforce our outlook for the whole year and already provide good insight into next year. We are well on the way to reaching our goals for this year. In line with our press release, Raute's net sales will increase and operating profit will improve in 2018 compared to the previous year.

THIRD QUARTER OF 2018

Order intake and order book

The total order intake in the third quarter, EUR 42 million (MEUR 42), was at a good level, bearing in mind that it did not include major individual projects.

Technology services accounted for EUR 15 million (MEUR 13) of the order intake.

The order book declined during the period under review by EUR 6 million, but nevertheless ended the period at a strong EUR 121 million (MEUR 89).

Net sales

Third-quarter net sales reached a record-high level, at EUR 47.9 million (MEUR 37.0). Technology services accounted for EUR 14.3 million (MEUR 14.2) of total net sales and their share fell to 30 per cent (38%) due to the strong growth in the net sales of project deliveries.

Result and profitability

Operating profit in the third quarter was a record EUR 5.6 million positive (MEUR 4.1 positive) and accounted for 11.7 percent (11.1%) of net sales. The result was EUR 4.3 million positive (MEUR 3.4 positive), and undiluted earnings per share were EUR +1.01 (EUR +0.80).

RAUTE CORPORATION – INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2018

BUSINESS ENVIRONMENT

Market situation in customer industries

Raute's customers in the plywood and LVL (Laminated Veneer Lumber) industries are engaged in the manufacture of wood products used in investment projects and are thus highly affected by fluctuations in construction, housing-related consumption, international trade and transportation.

The situation in the global economy and the financial markets during 2018 did not change considerably with respect to Raute or Raute's customer base. The good market situation has continued in the key market areas, despite the growing political uncertainty and its expansion to global trade policies. Construction activity continues to improve in

many market areas, but the level remains below the pre-financial-crisis level.

Demand for wood products technology and technology services

Thanks to the economic and market situation, investment activity among Raute's customers has remained high. Enquiry activity for new capacity projects and larger projects involving replacement and efficiency-boosting investments has remained at a good level, and trade is being actively negotiated.

Demand is especially strong in industrialized market areas, Europe, North America and Russia. In the emerging markets of Asia, China included, and in South America, demand has not been as strong. Demand among major South American customers has somewhat picked up. While there is burgeoning interest in Raute's offering also in other emerging markets, there is still a preference for very basic and less expensive technology products.

Demand for maintenance and spare parts services remained at a good level, which is an indication of the good capacity utilization rates of Raute's customers' production plants.

ORDER INTAKE AND ORDER BOOK

Raute serves the wood products industry with a full-service concept that is based on technology solutions that cover the customer's entire production process and services throughout their life cycle. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process. Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training and reconditioned machinery.

The good market situation is reflected in the volume of new orders Raute has received. The order intake during the review period was at an extremely good level and amounted to EUR 138 million (MEUR 94). The most significant new orders were received already earlier in the year: a EUR 23 million order for an LVL mill expansion in Finland, and a EUR 20 million order for LVL line equipment for North-East Asia.

Of new orders, 50 percent came from Europe (50%), 16 percent from Asia-Pacific (1%), 16 percent from Russia (14%), 13 percent from North America (28%) and 5 percent from South America (7%). Sometimes even strong fluctuations in the distribution of new orders between the various market areas are typical for project-focused business. The third quarter accounted for EUR 42 million of the order intake.

Order intake in technology services amounted to EUR 42 million (MEUR 39), increasing 9 percent on the comparison period.

The order book declined by EUR 6 million during the third quarter, but was nevertheless historically very strong, at EUR 121 million (MEUR 89), at the end of the period. A significant portion of the order book is scheduled for 2019 and some even for 2020.

COMPETITIVE POSITION

Raute's competitive position has remained unchanged and is strong. Raute's solutions help customers in securing their delivery and service capabilities throughout the life cycle of the production process or a part thereof. In such investments, the supplier's overall expertise and extensive and diverse technology offering play a key role. The competitive edge provided by Raute plays a major role when customers select their cooperation partners. Raute's strong financial position and long-term dedication to serving selected customer industries also enhance its credibility and improve its competitive position as a company that carries out long-term investment projects.

NET SALES

Net sales for the reporting period, EUR 126.8 million (MEUR 108.7), were up 17 percent on the comparison period.

Of the total net sales for the reporting period, Europe accounted for 43 percent (52%), Russia for 30 percent (28%), North America for 19 percent (14%), Asia-Pacific for 5 percent (2%), and South America for 3 percent (4%).

Technology services accounted for 30 percent (33%) of the Group's total net sales and amounted to EUR 38 million (MEUR 36). The decline in technology services' share of net sales is due to the strong growth in project delivery net sales.

RESULT AND PROFITABILITY

During the period under review, operating profit was EUR 11.5 million positive (MEUR 8.1 positive) and accounted for 9.1 percent of net sales (7.5%).

The result before taxes for the reporting period was EUR 11.5 million positive (MEUR 8.1 positive). The result for the reporting period was EUR 8.9 million positive (MEUR 6.3 positive). Earnings per share (undiluted) were EUR 2.10 (EUR 1.49).

CASH FLOW AND BALANCE SHEET

The Group's financial position remained good. At the end of the reporting period, gearing was -44 percent (-56%) and the equity ratio was 63 percent (61%). Fluctuations in balance sheet working capital items and the key figures based on them are due to differences in the timing of customer payments and the cost accumulation from project deliveries, which is typical of the project business.

The Group's cash and cash equivalents amounted to EUR 20.0 million (MEUR 23.1) at the end of the reporting period. Operating cash flow was EUR 2.8 million negative (MEUR 9.2 positive). Cash flow from investment activities was EUR 2.3 million negative (MEUR 5.8 negative). Cash flow from financing activities was EUR 5.6 million negative (MEUR 4.1 negative), including dividend payments of EUR 5.3 million.

Interest-bearing liabilities amounted to EUR 1.1 million (MEUR 3.0) at the end of the reporting period.

The parent company Raute Corporation has a EUR 10 million commercial paper program, which allows the company to issue commercial papers maturing in less than one year.

The parent company Raute Corporation is prepared for future working capital needs and has long-term credit facility agreements with four Nordic banks totaling EUR 23.0 million. The main covenants for the credit facility are an equity ratio of >30% and gearing of <100%. Of the credit facility, EUR 22.7 million remained unused at the end of the reporting period.

EVENTS DURING THE REPORTING PERIOD

Raute Corporation published stock exchange releases on the following events:

January 29, 2018 Raute received orders worth approximately EUR 23 million to Finland

February 9, 2018 Raute receives order worth almost 20 million euros from North-East Asia

March 6, 2018 Disposal of Raute Corporation's own shares

March 22, 2018 Second plan for Raute's top management remuneration system, LTI 2018–2020, takes off

March 22, 2018 Decisions of Raute's Annual General Meeting 2018

March 23, 2018 Changes in Raute Group's Executive Board as of March 27, 2018

September 17, 2018 Positive profit warning: Raute Corporation's net sales for 2018 will increase and operating profit for 2018 will improve compared to 2017.

RESEARCH AND DEVELOPMENT COSTS AND CAPITAL EXPENDITURE

Raute is a leading technology supplier for the plywood and LVL industries and focuses strongly on the development of increasingly efficient, productive, safe and environmentally friendly manufacturing technology and supporting measurement and machine vision applications. Opportunities provided by digitalization are also an essential part of R&D activities.

Research and development costs in the reporting period amounted to EUR 2.4 million (MEUR 2.4), representing 1.9 percent of net sales (2.2%).

Capital expenditure during the period came to EUR 3.1 million (MEUR 5.6) and accounted for 2.5 percent (5.2%) of net sales.

PERSONNEL

At the end of the reporting period, the Group's personnel numbered 755 (685). Group companies outside Finland accounted for 34 percent (30%) of employees.

Converted to full-time employees ("effective headcount"), the average number of employees was 718 (657) during the reporting period.

SHARES

The number of Raute Corporation's shares at the end of the reporting period totaled 4,263,194, of which 991,161 were series K shares (ordinary share, 20 votes/share) and 3,272,033 were series A shares (1 vote/share). Series K and A shares confer equal rights to dividends and company assets.

Series K shares can be converted to series A shares under the terms set out in section 3 of the Articles of Association. If an ordinary share is transferred to a new owner who has not previously held series K shares, the new owner must notify the Board of Directors of this in writing and without delay. Other holders of series K shares have the right to redeem the share under the terms specified in Article 4 of the Articles of Association.

Raute Corporation's series A shares are listed on Nasdaq Helsinki Ltd. The trading code is RAUTE. Raute Corporation has signed a market making agreement with Nordea Bank AB in compliance with the Liquidity Providing (LP) requirements issued by Nasdaq Helsinki Ltd.

The company's market capitalization at the end of the reporting period was EUR 118.9 million (MEUR 96.1), with series K shares valued at the closing price of series A shares on the final closing date September 28, 2018, i.e. EUR 27.90 (EUR 22.71).

RAUTE CORPORATION'S 2010 STOCK OPTIONS

The subscription period for Raute Corporation's series C 2010 stock options ended on March 31, 2018.

REMUNERATION

The Group has performance-based bonus systems in place that cover the entire personnel.

Share-based incentive plans

The Group has valid long-term share-based incentive plans based on performance.

The company decided to launch a new performance-based, share-value-based, long-term incentive plan, LTI Plan 2018–2020, on March 22, 2018.

The terms and conditions of the incentive plans are available on the company's website. More detailed and up-to-date information is presented in the Remuneration Statement on the company's website.

SHAREHOLDERS

The number of shareholders totaled 4,797 at the beginning of the year and 4,782 at the end of the reporting period. Series K shares were held by 54 private individuals (55) at the end of the reporting period. Nominee-registered shares accounted for 6.7 percent (2.8%) of shares. The company did not receive any flagging notifications during the reporting period.

The Board of Directors, the President and CEO as well as the Executive Board held altogether 260,558 company shares, equaling 6.1 percent (5.8%) of the company shares and 11.6 percent (11.2%) of the votes at the end of the reporting period.

CORPORATE GOVERNANCE

As of January 1, 2016, Raute Corporation complies with the Finnish Corporate Governance Code 2015 for listed companies issued by the Securities Market Association on October 1, 2015.

EXECUTIVE BOARD

Raute Group's Executive Board and the members' areas of responsibility:

Tapani Kiiski, President and CEO, Chairman – sales

Arja Hakala, Group Vice President, Strategy – business development

Marko Hjelt, Group Vice President, Human Resources – personnel and competence development

Mika Hyysti, Group Vice President, Technology – technology, products and R&D

Timo Kangas, Group Vice President, EMEA – market area EMEA

Antti Laulainen, Group Vice President, Technology Services and Sales Management – technology services and sales management

Petri Strengell, Group Vice President, Supply Chain – sourcing and production

Olli-Pekka Vanhanen, Group Vice President, Finance, CFO – Finance and administration.

ANNUAL GENERAL MEETING 2018

Raute Corporation's Annual General Meeting was held on March 22, 2018. More detailed information on the decisions of the Annual General Meeting can be found in the stock exchange release issued on March 22, 2018.

DISTRIBUTION OF PROFIT FOR THE 2017 FINANCIAL YEAR

The Annual General Meeting held on March 22, 2018 decided to pay a dividend of EUR 1.25 per share for the financial year 2017. The total amount of dividends is EUR 5.3 million, with series A shares accounting for EUR 4,081,522.50 and series K shares for EUR 1,238,951.25. The dividend payment date was April 4, 2018.

BOARD OF DIRECTORS AND BOARD COMMITTEES

At the General Meeting on March 22, 2018, Mr. Erkki Pehu-Lehtonen was elected Chairman of the Board, Mr. Mika Mustakallio was elected Vice-Chair, and Mr. Joni Bask, Ms. Laura Raitio, Mr. Pekka Suominen, and Mr. Patrick von Essen were elected as Board members. The Board of Directors' term of office will continue until the 2019 Annual General Meeting.

Based on the evaluation of independence by the Board of Directors, Chairman Mr. Erkki Pehu-Lehtonen and members Mr. Joni Bask, Mr. Patrick von Essen, Ms. Laura Raitio, and Mr. Pekka Suominen are independent of the company. Vice Chair of the Board of Directors Mr. Mika Mustakallio is not estimated to be independent of the company, as he has served on the Board of Directors for more than ten years. The Chairman of the Board (Mr. Erkki Pehu-Lehtonen) and two Board members (Mr. Patrick von Essen and Ms. Laura Raitio) are independent of major shareholders.

Raute Corporation's Board of Directors has an Appointments Committee. The Appointments Committee is chaired by Mr. Erkki Pehu-Lehtonen and its members are Mr. Mika Mustakallio and Mr. Pekka Suominen. The Audit Committee's tasks are handled by the Board of Directors.

EVENTS AFTER THE REPORTING PERIOD

No significant events took place after the reporting period.

BUSINESS RISKS

Risks in the near term continue to be driven by the uncertainty relating to the global economic situation and the development of the financial markets, as well as by international political instability, which has recently expanded to global trade policies. During the reporting period, there were no essential changes in the business risks described in the 2017 Board of Directors' Report and Financial Statements.

The most significant risks for Raute in the near term are related to the completion of the high order book, and especially the major mill-scale projects that are in the implementation phase, in accordance with the schedule determined in the contract terms, and the sufficiency and availability of skilled resources.

OUTLOOK FOR 2018

On September 17, 2018, Raute changed its guidance for 2018 concerning net sales and operating profit, estimating that the company's net sales will increase and operating profit will improve in 2018 compared to the previous year. The new guidance is based on the assumption that no major surprises will arise in the labor market situation in the final quarter of the year.

The company's current situation and outlook for the rest of the year give no cause to change the guidance issued on September 17, 2018. Raute Corporation's net sales will increase and operating profit will improve in 2018 compared to 2017.

Raute Corporation's Board of Directors has on October 31, 2018 reviewed the Interim financial report for January 1 – September 30, 2018, and approved it to be published.

The figures for the financial year 2017 presented in the figures section of the Interim financial report have been audited. The presented interim financial report figures have not been audited. The figures for the comparative Interim financial period and the financial year 2017 have been restated as a result of changes in IFRS standards.

CONSOLIDATED STATEMENT OF INCOME

EUR 1 000	1.7.– 30.9.2018	Restated 1.7.– 30.9.2017	1.1.– 30.9.2018	Restated 1.1.– 30.9.2017	Restated 1.1.– 31.12.2017
NET SALES	47 888	37 049	126 827	108 696	148 064
Change in inventories of finished goods and work in progress	600	-187	3 404	1 111	2 054
Other operating income	137	167	495	286	96
Materials and services	-27 339	-19 386	-71 785	-59 538	-80 721
Employee benefits expense	-11 316	-9 495	-34 131	-29 599	-41 036
Depreciation and amortization	-617	-654	-1 902	-1 931	-2 633
Other operating expenses	-3 751	-3 381	-11 397	-10 915	-14 653
Total operating expenses	-43 024	-32 916	-119 214	-101 983	-139 042
OPERATING PROFIT	5 602	4 113	11 512	8 111	11 171
% of net sales	11,7	11,1	9,1	7,5	7,5
Financial income	9	19	306	354	359
Financial expenses	-109	-121	-280	-371	-411
Financial expenses, net	-100	-102	25	-17	-51
PROFIT BEFORE TAX	5 502	4 011	11 537	8 094	11 120
% of net sales	11,5	10,8	9,1	7,4	7,5
Income taxes	-1 189	-647	-2 596	-1 813	-2 141
PROFIT FOR THE PERIOD	4 313	3 364	8 941	6 280	8 979
% of net sales	9,0	9,1	7,0	5,8	6,1
Profit for the period attributable to Equity holders of the Parent company	4 313	3 364	8 941	6 280	8 979
Earnings per share for profit attributable to equity holders of the Parent company, EUR					
Undiluted earnings per share	1,01	0,80	2,10	1,49	2,13
Diluted earnings per share	1,01	0,79	2,08	1,48	2,11

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.7.– 30.9.2018	Restated 1.7.– 30.9.2017	1.1.– 30.9.2018	Restated 1.1.– 30.9.2017	Restated 1.1.– 31.12.2017
PROFIT FOR THE PERIOD	4 313	3 364	8 941	6 280	8 979
Other comprehensive income items: Items that may be subsequently reclassified to profit or loss					
Changes in the fair value of available-for-sale investments	-	-	246	-259	193
Hedge accounting	85	-40	46	-220	-31
Exchange differences on translating foreign operations	-68	-85	-58	-177	-183
Income taxes related to these items	-27	18	-58	97	-32
Comprehensive income items for the period, net of tax	-11	-109	175	-559	-52
COMPREHENSIVE PROFIT FOR THE PERIOD	4 302	3 255	9 117	5 721	8 927
Comprehensive profit for the period attributable to Equity holders of the Parent company	4 302	3 255	9 117	5 721	8 927
Shares, 1 000 pcs					
Adjusted average number of shares	4 263	4 229	4 258	4 220	4 225
Adjusted average number of shares diluted	4 290	4 259	4 290	4 249	4 259

Consolidated balance sheet

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CONSOLIDATED BALANCE SHEET

EUR 1 000	30.9.2018	Restated 30.9.2017	Restated 31.12.2017
ASSETS			
Non-current assets			
Goodwill	1 058	1 035	1 035
Other intangible assets	2 429	2 711	2 548
Property, plant and equipment	11 089	9 290	9 948
Other financial assets	1 169	471	923
Deferred tax assets	222	384	410
Total non-current assets	15 967	13 890	14 865
Current assets			
Inventories	15 260	11 767	11 010
Accounts receivables and other receivables	40 435	29 305	30 363
Income tax receivable	9	50	45
Cash and cash equivalents	20 038	23 123	30 724
Total current assets	75 743	64 245	72 142
TOTAL ASSETS	91 710	78 135	87 006

CONSOLIDATED BALANCE SHEET

EUR 1 000	30.9.2018	Restated 30.9.2017	Restated 31.12.2017
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent company			
Share capital	8 256	8 256	8 256
Fair value reserve and other reserves	7 779	6 479	7 156
Exchange differences	602	665	659
Retained earnings	17 875	14 322	14 321
Profit for the period	8 941	6 280	8 979
Total equity	43 454	36 002	39 372
Non-current liabilities			
Provisions	589	927	707
Deferred tax liability	-	24	86
Total non-current liabilities	589	951	793
Current liabilities			
Provisions	1 396	1 141	1 378
Current interest-bearing liabilities	1 063	2 982	1 413
Current advance payments received	22 888	18 732	25 739
Income tax liability	1 204	899	829
Trade payables and other liabilities	21 116	17 428	17 481
Total current liabilities	47 667	41 182	46 841
Total liabilities	48 256	42 133	47 634
TOTAL EQUITY AND LIABILITIES	91 710	78 135	87 006

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	1.1.– 30.9.2018	1.1.– 30.9.2017	1.1.– 31.12.2017
CASH FLOW FROM OPERATING ACTIVITIES			
Proceeds from customers	127 784	118 350	167 370
Other operating income	475	286	50
Payments to suppliers and employees	-129 019	-106 766	-145 131
Cash flow before financial items and taxes	-761	11 870	22 289
Interest paid from operating activities	-100	-215	-277
Dividends received from operating activities	249	120	120
Interest received from operating activities	13	4	7
Other financing items from operating activities	-93	-203	-298
Income taxes paid from operating activities	-2 070	-2 408	-3 408
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	-2 762	9 169	18 432
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangible assets	-2 521	-2 631	-2 874
Business transaction	-	-3 371	-3 193
Proceeds from sale of property, plant and equipment and intangible assets	215	29	117
Proceeds from sale of investments	-	182	182
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-2 306	-5 790	-5 768
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	59	155	207
Proceeds from current borrowings	1 093	3 000	4 413
Repayments of current borrowings	-1 418	-3 000	-6 136
Dividends paid	-5 320	-4 220	-4 220
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	-5 587	-4 065	-5 736
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	-10 656	-686	6 928
increase (+)/decrease (-)			
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD*	30 724	23 769	23 769
NET CHANGE IN CASH AND CASH EQUIVALENTS	-10 656	-686	6 928
EFFECTS OF EXCHANGE RATE CHANGES ON CASH	-29	40	27
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*	20 038	23 123	30 724
CASH AND CASH EQUIVALENTS IN THE BALANCE SHEET AT THE END OF THE PERIOD*			
Cash and cash equivalents	20 038	23 123	30 724
TOTAL	20 038	23 123	30 724

*Cash and cash equivalents comprise cash and bank receivables, which will be due within the following three months' period.

Consolidated statement of changes in shareholders' equity

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR 1 000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
EQUITY at Jan. 1, 2018	8 256	5 652	1 504	659	23 623	39 694	39 694
Changes in accounting principles, IFRS 15	-	-	-	-	-322	-322	-322
Changes in accounting principles, IFRS 9	-	-	-	-	-104	-104	-104
Changes in accounting principles, IFRS 2	-	-	117	-	-	117	117
RESTATED EQUITY at Jan. 1, 2018	8 256	5 652	1 621	659	23 197	39 385	39 385
Comprehensive profit for the period							
Profit for the period	-	-	-	-	8 941	8 941	8 941
Other comprehensive income items:							
Changes in the fair value of available-for-sale investments	-	-	246	-	-	246	246
Hedging reserve	-	-	46	-	-	46	46
Exchange differences on translating foreign operations	-	-	-	-58	-	-58	-58
Income taxes related to these items	-	-	-58	-	-	-58	-58
Total comprehensive profit for the period	-	-	233	-58	8 941	9 117	9 117
Transactions with equity holders							
Share-options exercised	-	59	-	-	-	59	59
Equity-settled share-based transactions	-	-	214	-	-	214	214
Dividends	-	-	-	-	-5 320	-5 320	-5 320
Total transactions with equity holders	-	59	214	-	-5 320	-5 047	-5 047
EQUITY at September 30, 2018	8 256	5 711	2 068	602	26 818	43 454	43 454

COMPARISON PERIOD, RESTATED

EUR 1 000	Share capital	Invested non-restricted equity reserve	Other reserves	Exchange differences	Retained earnings	To the equity holders of the Parent company	TOTAL EQUITY
EQUITY at Jan. 1, 2017	8 256	5 445	1 132	842	18 543	34 217	34 217
Changes in accounting principles	-	-	-	-	-	0	0
RESTATED EQUITY at Jan. 1, 2017	8 256	5 445	1 132	842	18 543	34 217	34 217
Comprehensive profit for the period							
Profit for the period, restated	-	-	-	-	6 280	6 280	6 280
Other comprehensive income items:							
Changes in the fair value of available-for-sale investments	-	-	-259	-	-	-259	-259
Hedging reserve	-	-	-220	-	-	-220	-220
Exchange differences on translating foreign operations	-	-	-	-177	-	-177	-177
Income taxes related to these items	-	-	97	-	-	97	97
Total comprehensive profit for the period	-	-	-382	-177	6 280	5 721	5 721
Transactions with equity holders							
Share-options exercised	-	155	-	-	-	155	155
Equity-settled share-based transactions	-	-	128	-	-	128	128
Dividends	-	-	-	-	-4 220	-4 220	-4 220
Total transactions with equity holders	-	155	128	-	-4 220	-3 937	-3 937
EQUITY at September 30, 2017	8 256	5 600	879	665	20 603	36 002	36 002

NOTES TO THE INTERIM FINANCIAL REPORT

General information

Raute Group is a globally operating technology and service company serving the wood products industry, with core competence in selected wood products manufacturing processes. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL and sawn timber.

Raute's full-service concept is based on product life-cycle management and includes project deliveries and technology services. Raute's technology offering covers machinery and equipment for the customer's entire production process. In addition to a broad range of machines and equipment, Raute's solutions cover technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations.

Raute Group's Parent company, Raute Corporation, is a Finnish public limited liability company established in accordance with Finnish law (Business ID FI01490726). Its series A shares are quoted on Nasdaq Helsinki Ltd, under Industrials. Raute Corporation is domiciled in Lahti. The address of its registered office is Rautetie 2, FI-15550 Nastola, and its postal address is P.O. Box 69, FI-15551 Nastola.

All of the figures presented in the Interim financial report are in thousand euro, unless otherwise stated. Due to the rounding of the figures in the financial statement tables, the sums of figures may deviate from the sum total presented in the table. Figures in parentheses refer to the corresponding figures in the comparison period.

Basis of preparation

Raute Corporation's Interim financial report for January 1 – September 30, 2018 has been prepared in accordance with standard IAS 34 Interim Financial Reporting.

The Interim financial report does not contain full notes and other information presented in the financial statements, and therefore the Interim financial report should be read in conjunction with the Financial statements published for 2017. Raute Corporation's consolidated financial statements information is available online at www.raute.com and at the head office of the Parent company, Rautetie 2, FI-15550 Nastola.

Raute Corporation's Interim financial report for January 1 – September 30, 2018 has been prepared in accordance with the International Financial Reporting Standards, IFRS, accepted for application in the European Union, including related interpretations. The Interim financial report has been drawn up according to the same accounting principles as in the consolidated financial statements for 2017, except for the adoption of standards effective as of January 1, 2018 or later.

IFRS 15 Revenue from contracts with customers, has been effective as of January 1, 2018. Raute Group has presented on March 23, 2018, with a separate bulletin the restated comparative figures for the financial year 2018 and the restated income statement and balance sheet as well as restated key figures due to the adoption of the new IFRS 15 standard. Of Raute's products and services, performance obligations to be satisfied over time under the IFRS 15 standard include, as a general rule, project deliveries and modernizations that are treated as long-term projects and recognized based on the percentage of completion method, designed and tailored to the needs of the customer. These performance obligations do not have the alternative use referred to in the IFRS 15 standard and they still form one performance obligation.

The company applies to performance obligations to be satisfied over time the same principle as in the percentage of completion method (proportion of costs incurred to the estimated costs of the project). An exception to the above-mentioned general rule are the individual long-term projects recognized based on the percentage of completion method in which the customer has not committed to paying the incurred costs and a sufficient margin in situations where the customer unilaterally interrupts the performance of the contract or when the

customer is unable to meet its contractual obligations. Going forward, these individual projects will be treated as performance obligations to be satisfied at a point in time. Based on current estimates, the number of these projects has been and will be limited.

IFRS 9 Financial instruments, has been effective as of January 1, 2018. The Group has adopted the standard non-retrospectively applying the simplified approach of the standard. The standard includes hedge accounting requirements, but these do not have significant effects on presenting the financial instruments nor on the Interim financial report. The standard includes also changes in the recognition of impairments. An expected credit loss has been estimated on financial receivables. Credit losses are based on the expected credit loss share, which has been measured based on the total outstanding amount of sales receivables, credit losses realized during previous interim periods and the Group's estimate of the future development of economic conditions. The expected credit loss provision amount of EUR 0.1 million has been recognized as an adjustment to the opening balance of equity at January 1, 2018. During the interim period the change in the expected credit loss was EUR -57 thousand. The deferred tax related to this item has been recognized during the interim period.

IFRS 2 Share-based payments, has been adopted non-retrospectively applying the simplified approach of the standard. The standard includes guidance on the basis of preparation when a share-based payment plan has a net settlement payment and Raute Group has an obligation to withhold a tax from the payment. The bonuses of this share reward have been recognized entirely as an equity-settled share-based payment at January 1, 2018. An expense adjustment related to these share-based payments has increased the Group's opening balance sheet equity by EUR 0.1 million. The corresponding item decreased the item Trade and other payables in the liabilities by EUR 0.1 million.

When preparing the Interim financial report in compliance with International Financial Reporting Standards, the company management has made estimates and assumptions. In addition, the management has exercised its judgment in selecting and applying the accounting policies. The forward-looking estimates and assumptions have been based on management's best knowledge at the reporting date, and they comprise risks and uncertainties, therefore actual results may differ from these estimates.

Net sales

Raute serves the wood products industry with a full-service concept based on service that encompasses the entire life cycle of the delivered equipment. Raute's business consists of project deliveries and technology services. Project deliveries encompass projects from individual machine or production line deliveries to deliveries of all the machines and equipment belonging to a mill's production process.

Additionally, Raute's full-service concept includes comprehensive technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations, as well as consulting, training and reconditioned machinery. Project deliveries and modernizations related to technology services include both product and service sales, making it impossible to give a reliable presentation of the breakdown of the Group's net sales into purely product and service sales.

Large mill or production line scale delivery projects can temporarily increase the share of an individual customer of the Group's net sales to more than 10 percent. At the end of the interim period, the Group had two (3) customers, whose customized share of the Group's net sales temporarily exceeded ten percent.

	1.1.– 30.9.2018	%	Restated 1.1.– 30.9.2017	%	Restated 1.1.– 31.12.2017	%
Net sales by market area						
EMEA (Europe and Africa)	54 417	43	56 826	52	81 952	56
CIS (Russia)	38 234	30	29 677	28	35 365	24
NAM (North America)	23 830	19	15 149	14	21 115	14
APAC (Asia-Pacific)	6 443	5	2 585	2	3 429	2
LAM (South America)	3 903	3	4 459	4	6 202	4
TOTAL	126 827	100	108 696	100	148 064	100

Finland accounted for 14 percent (16 %) of net sales.

	30.9.2018	Restated 30.9.2017	Restated 31.12.2017
Long-term projects			
Specification of net sales			
Net sales by percentage of completion	105 749	86 732	118 115
Other net sales	21 078	21 964	29 949
TOTAL	126 827	108 696	148 064
Project revenues entered as income from currently undelivered long-term projects recognized by percentage of completion	185 857	146 091	135 322
Amount of long-term project revenues not yet entered as income (order book)	114 799	85 207	104 728
Balance sheet items of undelivered long-term projects			
Projects in which the value by percentage of completion exceeds advance payments invoiced			
- aggregate amount of costs incurred and recognized profits less recognized losses	124 709	98 128	88 318
- advance payments received	94 839	80 050	67 913
Gross amount due from customers	29 870	18 078	20 405
Projects in which advance payments invoiced exceed the value by percentage of completion			
- aggregate amount of costs incurred and recognized profits less recognized losses	67 708	47 304	46 388
- advance payments received	86 490	63 146	68 846
Gross amount due to customers	18 782	15 842	22 458
Advance payments included in current liabilities in the balance sheet			
Gross amount due to customers	18 782	15 842	22 458
Other advance payments received, not under percentage of completion	4 106	2 890	3 281
Total	22 888	18 732	25 739
Advance payments of long-term projects included in inventories in the balance sheet			
Advance payments paid for long-term projects	1 479	1 042	659
Total	1 479	1 042	659

	30.9.2018	30.9.2017	31.12.2017
Number of personnel			
Effective, on average, persons	718	657	660
On average, persons	742	676	682
In books at the end of the period, persons	755	685	704
Personnel working abroad at the end of the period	254	206	222
Personnel working abroad, %	33,6	30,1	31,5

Pledges on behalf of the company's management

No loans have been granted to the company's management.

No pledges have been given or other commitments made on behalf of the company's management and shareholders.

	30.9.2018	30.9.2017	31.12.2017
Research and development costs			
Research and development costs for the period	-2 417	-2 416	-3 237
Amortization of previously capitalized development costs	-125	-170	-223
Development costs recognized as an asset in the balance sheet	166	84	123
Research and development costs entered as expense for the period	-2 375	-2 502	-3 338

	30.9.2018	30.9.2017	31.12.2017
Other intangible assets			
Acquisition cost at the beginning of the period	14 799	13 391	13 391
Exchange rate differences	-3	-49	-48
Additions	252	1 684	1 750
Reclassification between items	119	252	-295
Acquisition cost at the end of the period	15 167	15 278	14 799
Accumulated depreciation and amortization at the beginning of the period	-12 250	-12 038	-12 038
Exchange rate differences	3	43	42
Accumulated depreciation and amortization of disposals and reclassifications	-	-	565
Depreciation and amortization for the period	-489	-573	-820
Accumulated depreciation and amortization at the end of the period	-12 737	-12 567	-12 250
Book value of Other intangible assets, at the beginning of the period	2 548	1 353	1 353
Book value of Other intangible assets, at the end of the period	2 429	2 711	2 548
Property, plant and equipment			
Acquisition cost at the beginning of the period	50 134	48 657	48 657
Exchange rate differences	-44	-407	-596
Additions	2 898	1 414	2 623
Disposals	-210	-24	-97
Reclassification between items	-119	-252	-452
Acquisition cost at the end of the period	52 659	49 389	50 134
Accumulated depreciation and amortization at the beginning of the period	-40 186	-39 077	-39 077
Exchange rate differences	28	335	520
Accumulated depreciation and amortization of disposals and reclassifications	1	1	183
Depreciation and amortization for the period	-1 413	-1 359	-1 813
Accumulated depreciation and amortization at the end of the period	-41 570	-40 099	-40 186
Book value of Property, plant and equipment, at the beginning of the period	9 948	9 580	9 580
Book value of Property, plant and equipment, at the end of the period	11 089	9 290	9 948

Financial assets

At the end of the reporting period September 30, 2018, the fair value of the financial assets categorized at fair value on hierarchy level 3 was EUR 1 169 thousand.

There were no transfers between the hierarchy levels 1 and 2 during the reporting period.

	30.9.2018	30.9.2017	31.12.2017
Current interest-bearing liabilities			
Partial payments of financial loans	1 063	2 982	1 413
TOTAL	1 063	2 982	1 413

Maturities of the interest-bearing financial liabilities at September 30, 2018

	Current	Non-current	Total
Financial loans			
Partial payments of financial loans	1 063	-	1 063
TOTAL	1 063	-	1 063

	30.9.2018	30.9.2017	31.12.2017
Derivatives			
Nominal values of forward contracts in foreign currency			
Economic hedging			
- Related to financing	950	500	492
- Related to the hedging of net sales	6 858	2 337	3 228
Hedge accounting			
- Related to the hedging of net sales	8 409	11 267	12 716
Fair values of forward contracts in foreign currency			
Economic hedging			
- Related to financing	-15	49	52
- Related to the hedging of net sales	-90	278	27
Hedge accounting			
- Related to the hedging of net sales	-216	70	-18

	30.9.2018	30.9.2017	31.12.2017
Pledged assets and contingent liabilities			
On behalf of the Parent company			
Business mortgages	-	5 688	8 274
Mortgage agreements on behalf of subsidiaries			
Financial loans	1 063	2 982	1 413
Other obligations	415	1 442	313
Business mortgages	-	4 312	1 726
Other credit guarantee arrangements	1 478	-	-
Commercial bank guarantees on behalf of the Parent company and subsidiaries	31 566	24 352	25 728
Other own obligations			
Rental liabilities maturing within one year	1 460	972	1 297
Rental liabilities maturing in one to five years	2 843	1 297	2 773
Rental liabilities maturing later	63	-	-
Total	4 366	2 269	4 070

Share-based payments

The subscription period for Raute Corporation's 2010 C stock options has ended on March 31, 2018. A total of 13,946 Raute's series A shares have been subscribed for with Raute's stock options 2010 C during the reporting period. The new shares have been registered in the Trade Register on February 26, 2018 and May 8, 2018.

On September 30, 2018 the company's share capital is EUR 8,256,316 and the number of company's shares 4,263,194 pieces.

An expense of EUR 171 thousand was recognized for the share rewards to the income statement during the reporting period.

Distribution of the profit for the financial year 2017

Raute Corporation's Annual General Meeting held on March 22, 2018, decided, according to the Board of Directors' proposal, to distribute a dividend of EUR 1.25 per share to be paid for series A and K shares, a total of EUR 5,320 thousand. The dividend payment date was April 4, 2018.

Segment information

Continuing operations of Raute Group belong to the wood products technology segment. Raute Corporation's Board of Directors is the chief operating decision maker that is responsible for assigning resources to the operating segment and assessing its result.

Due to Raute's business model, operational nature and administrative structure, the operational segment to be reported as wood products technology segment is comprised of the whole Group and the information on the segment is consistent with that of the Group. Segment reporting follows the principles of presentation of the consolidated financial statements.

	30.9.2018	Restated 30.9.2017	Restated 31.12.2017
Wood products technology			
Net sales	126 827	108 696	148 064
Operating profit	11 512	8 111	11 171
Assets	91 710	78 135	87 006
Liabilities	48 256	42 133	47 634
Capital expenditure	3 149	5 641	6 962

	30.9.2018	%	Restated 30.9.2017	%	Restated 31.12.2017	%
Assets of the wood products technology segment by geographical location						
Finland	79 292	86	68 126	87	77 541	89
North America	7 396	8	5 786	7	5 693	7
China	3 270	4	2 942	4	2 511	3
Russia	1 399	2	962	1	1 007	1
South America	200	0	160	0	128	0
Other	153	0	158	0	127	0
TOTAL	91 710	100	78 135	100	87 006	100

	30.9.2018	%	30.9.2017	%	31.12.2017	%
Capital expenditure of the wood products technology segment by geographical location						
Finland	2 737	87	3 062	54	4 283	62
North America	376	12	2 570	46	2 663	38
China	2	0	-	-	-	-
Russia	34	1	9	0	13	0
South America	-	-	-	-	1	0
Other	1	0	-	-	1	0
TOTAL	3 149	100	5 641	100	6 962	100

Exchange rates used in the consolidation of subsidiaries

	1.1.– 30.9.2018	1.1.– 30.9.2017	1.1.– 31.12.2017
Income statement, euros			
CNY (Chinese yuan)	7,7792	7,5723	7,6266
RUB (Russian rouble)	73,4244	64,8983	65,8806
CAD (Canadian dollar)	1,5379	1,4538	1,4644
USD (US dollar)	1,1949	1,1130	1,1292
SGD (Singapore dollar)	1,6008	1,5461	1,5583
CLP (Chilean peso)	751,0095	727,7853	732,3058
Balance sheet, euros			
CNY (Chinese yuan)	7,9930	7,8257	7,8073
RUB (Russian rouble)	76,1422	68,2519	69,3920
CAD (Canadian dollar)	1,5064	1,4687	1,5039
USD (US dollar)	1,1576	1,1806	1,1993
SGD (Singapore dollar)	1,5839	1,6031	1,6024
CLP (Chilean peso)	792,8949	745,3324	751,8129

FINANCIAL DEVELOPMENT	30.9.2018	Restated 30.9.2017	Restated 31.12.2017	SHARE-RELATED DATA	30.9.2018	Restated 30.9.2017	Restated 31.12.2017
Change in net sales, %	16,7	41,0	30,9	Earnings per share, (EPS), undiluted, EUR	2,10	1,49	2,13
Exported portion of net sales, %	86,0	83,6	82,6	Earnings per share, (EPS), diluted, EUR	2,08	1,48	2,11
Operating profit, % of net sales	9,1	7,5	7,5	Equity to share, EUR	10,19	8,51	9,27
Return on investment, (ROI), %	36,9	29,6	29,5	Dividend per series A share, EUR	-	-	1,25
Return on equity, (ROE), %	28,8	23,9	24,4	Dividend per series K share, EUR	-	-	1,25
Interest-bearing net liabilities, EUR million	-19,0	-20,1	-29,3	Dividend per profit, %	-	-	58,8
Gearing, %	-43,7	-55,9	-74,4	Effective dividend return, %	-	-	4,3
Equity ratio, %	63,1	60,6	64,3	Price/earnings ratio (P/E ratio)	-	-	13,65
Gross capital expenditure, EUR million	3,1	5,6	7,0	Development in share price (series A shares)			
% of net sales	2,5	5,2	4,7	Lowest share price for the period, EUR	26,00	16,84	16,84
Research and development costs, EUR million	2,4	2,4	3,2	Highest share price for the period, EUR	34,90	25,98	30,52
% of net sales	1,9	2,2	2,2	Average share price for the period, EUR	30,23	21,51	22,70
Order book, EUR million	121	89	110	Share price at the end of the period, EUR	27,90	22,71	29,00
Order intake, EUR million	138	94	155	Market value of capital stock			
				Series K shares, EUR million*	27,7	22,5	28,7
				Series A shares, EUR million	91,3	73,6	94,5
				Total, EUR million	118,9	96,1	123,2
				<i>*Series K shares valued at the value of series A shares.</i>			
				Trading of the company's shares (series A shares)			
				Trading of shares, pcs	603 654	547 938	845 672
				Trading of shares, EUR million	18,3	11,8	19,2
				Number of shares			
				- Series K shares, ordinary shares (20 votes/share)	991 161	991 161	991 161
				- Series A shares (1 vote/share)	3 272 033	3 239 174	3 258 087
				Total	4 263 194	4 230 335	4 249 248
				Number of shares, weighted average, 1 000 pcs	4 258	4 220	4 225
				Number of shares, diluted, 1 000 pcs	4 290	4 249	4 259
				Number of shareholders	4 782	4 419	4 797

Development of quarterly results

Interim report January 1 – September 30, 2018
October 31, 2018

DEVELOPMENT OF QUARTERLY RESULTS

EUR 1 000	Restated Q4 2017	Q1 2018	Q2 2018	Q3 2018	Rolling restated 1.10.2017– 30.9.2018	Rolling restated 1.10.2016– 30.9.2017
NET SALES	39 367	35 272	43 667	47 888	166 195	144 739
Change in inventories of finished goods and work in progress	943	1 230	1 574	600	4 347	217
Other operating income	-190	65	293	137	305	310
Materials and services	-21 183	-18 174	-26 271	-27 339	-92 968	-76 579
Employee benefits expense	-11 437	-11 246	-11 568	-11 316	-45 567	-39 480
Depreciation and amortization	-702	-650	-635	-617	-2 604	-2 577
Other operating expenses	-3 738	-3 743	-3 903	-3 751	-15 135	-14 227
Total operating expenses	-37 060	-33 813	-42 377	-43 024	-156 274	-132 863
OPERATING PROFIT	3 060	2 754	3 156	5 602	14 573	12 402
% of net sales	7,8	7,8	7,2	11,7	8,8	8,6
Financial income	5	225	72	9	311	506
Financial expenses	-39	-64	-107	-109	-319	-510
Financial expenses, net	-34	160	-36	-100	-9	-5
PROFIT BEFORE TAX	3 026	2 914	3 121	5 502	14 563	12 398
% of net sales	7,7	8,3	7,1	11,5	8,8	8,6
Income taxes	-328	-659	-748	-1 189	-2 924	-2 502
PROFIT FOR THE PERIOD	2 698	2 256	2 372	4 313	11 640	9 895
% of net sales	6,9	6,4	5,4	9,0	7,0	6,8
Attributable to						
Equity holders of the Parent company	2 698	2 256	2 372	4 313	11 640	9 895
Earnings per share, EUR						
Undiluted earnings per share	0,64	0,53	0,56	1,01	2,73	2,34
Diluted earnings per share	0,63	0,53	0,55	1,01	2,71	2,33
Shares, 1 000 pcs						
Adjusted average number of shares	4 240	4 248	4 263	4 263	4 258	4 220
Adjusted average number of shares, diluted	4 274	4 267	4 284	4 290	4 290	4 249
	Restated Q4 2017	Q1 2018	Q2 2018	Q3 2018	Rolling restated 1.10.2017– 30.9.2018	Rolling restated 1.10.2016– 30.9.2017
FINANCIAL DEVELOPMENT QUARTERLY						
Order intake during the period, EUR million	60	68	28	42	199	136
Order book at the end of the period, EUR million	110	142	127	121	121	89

20 LARGEST SHAREHOLDERS AT SEPTEMBER 30, 2018 BY NUMBER OF SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Sundholm Göran	-	500 000	500 000	11,7	500 000	2,2
2. Mandatum Life Unit-Linked	-	131 396	131 396	3,1	131 396	0,6
3. Laakkonen Mikko Kalervo	-	119 919	119 919	2,8	119 919	0,5
4. Suominen Pekka	48 000	62 429	110 429	2,6	1 022 429	4,4
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
7. Suominen Tiina Sini-Maria	48 000	52 856	100 856	2,4	1 012 856	4,4
8. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
9. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
10. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
11. Mustakallio Kari Pauli	60 480	500	60 980	1,4	1 210 100	5,2
12. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
13. Mustakallio Ulla Sinikka	47 740	10 730	58 470	1,4	965 530	4,2
14. Särkijärvi Anu Riitta	12 000	43 256	55 256	1,3	283 256	1,2
15. Särkijärvi Timo Juha	12 000	43 256	55 256	1,3	283 256	1,2
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskinäinen työeläkevakuutusyhtiö Varma	-	51 950	51 950	1,2	51 950	0,2
18. Relander Pär-Gustaf	-	51 000	51 000	1,2	51 000	0,2
19. Suominen Jussi	48 000	-	48 000	1,1	960 000	4,2
20. Keskiaho Ilta Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
Total	635 200	1 323 072	1 958 272	45,9	14 027 072	60,7

20 LARGEST SHAREHOLDERS AT SEPTEMBER 30, 2018 BY NUMBER OF VOTES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
1. Mustakallio Mika Tapani	62 100	21 170	83 270	2,0	1 263 170	5,5
2. Särkijärvi Anna Riitta	60 480	22 009	82 489	1,9	1 231 609	5,3
3. Mustakallio Kari Pauli	60 480	500	60 980	1,4	1 210 100	5,2
4. Kirmo Kaisa Marketta	55 680	48 341	104 021	2,4	1 161 941	5,0
5. Siivonen Osku Pekka	50 640	53 539	104 179	2,4	1 066 339	4,6
6. Suominen Pekka	48 000	62 429	110 429	2,6	1 022 429	4,4
7. Suominen Tiina Sini-Maria	48 000	52 856	100 856	2,4	1 012 856	4,4
8. Mustakallio Ulla Sinikka	47 740	10 730	58 470	1,4	965 530	4,2
9. Suominen Jussi	48 000	-	48 000	1,1	960 000	4,2
10. Mustakallio Marja Helena	46 740	12 547	59 287	1,4	947 347	4,1
11. Keskiaho Kaija Leena	33 600	51 116	84 716	2,0	723 116	3,1
12. Mustakallio Hanna Leena	32 975	5 565	38 540	0,9	665 065	2,9
13. Mustakallio Jukka Jeremias	32 975	4 420	37 395	0,9	663 920	2,9
14. Keskiaho Vesa Heikki	29 680	-	29 680	0,7	593 600	2,6
15. Keskiaho Juha-Pekka	27 880	5 716	33 596	0,8	563 316	2,4
16. Suominen Jukka Matias	24 960	27 964	52 924	1,2	527 164	2,3
17. Keskiaho Ilta Marjaana	24 780	19 094	43 874	1,0	514 694	2,2
18. Sundholm Göran	-	500 000	500 000	11,7	500 000	2,2
19. Kultanen Leea Annikka	21 595	8 031	29 626	0,7	439 931	1,9
20. Molander Sole	20 160	-	20 160	0,5	403 200	1,7
Total	776 465	906 027	1 682 492	39,5	16 435 327	71,2

MANAGEMENT'S SHAREHOLDING AND NOMINEE-REGISTERED SHARES

	Number of series K shares	Number of series A shares	Total number of shares	% of total shares	Total number of votes	% of voting rights
Management's holding at September 30, 2018						
The Board of Directors, The Group's President and CEO and Executive Board*						
	127 890	132 668	260 558	6,1	2 690 468	11,6
Total	127 890	132 668	260 558	6,1	2 690 468	11,6

*The figures include the holdings of their own, minor children and control entities.

Nominee-registered shares at September 30, 2018

	-	287 589	287 589	6,7	287 589	1,2
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RAUTE CORPORATION

Board of Directors

BRIEFING ON OCTOBER 31, 2018 AT 2 P.M.:

A briefing will be organized for analysts, investors and the media on October 31, 2018 at 2 p.m. at Scandic Simonkenttä Hotel, Tapiola cabinet, Simonkatu 9, Helsinki. The interim report will be presented by Mr. Tapani Kiiski, President and CEO, and Mr. Olli-Pekka Vanhanen, CFO.

FINANCIAL RELEASES IN 2019:

Raute Corporation will publish a release on its financial statements for 2018 on Thursday, February 14, 2019.

Raute's half-year report and two interim reports will be published as follows:

- Interim report January–March on Friday, May 3, 2019
- Half-year report January–June on Wednesday, July 31, 2019
- Interim report January–September on Wednesday, October 30, 2019.

Raute Corporation's Annual General Meeting is scheduled to be held in Lahti on Tuesday, April 2, 2019.

FURTHER INFORMATION:

Mr. Tapani Kiiski, President and CEO, Raute Corporation, mobile phone +358 400 814 148

Mr. Olli-Pekka Vanhanen, CFO, Raute Corporation, mobile phone +358 40 505 7515

DISTRIBUTION:

Nasdaq Helsinki Ltd, main media, www.raute.com

RAUTE IN BRIEF:

Raute is a technology and service company that operates worldwide. Raute's customers are companies operating in the wood products industry that manufacture veneer, plywood, LVL (Laminated Veneer Lumber) and sawn timber. Its technology offering covers the entire production process for veneer, plywood and LVL and special measurement equipment for sawn timber. As a supplier of mill-scale projects, Raute is a global market leader both in the plywood and LVL industries. Additionally, Raute's full-service concept includes technology services ranging from spare parts deliveries to regular maintenance and equipment modernizations. Raute's head office is located in the Nastola area of Lahti, Finland. The company's other production plants are located in Kajaani, Finland, the Vancouver area of Canada, the Shanghai area of China and in Pullman, Washington, USA. Raute's net sales in 2017 were EUR 148.1 million. The Group's headcount at the end of 2017 was 704. More information about the company can be found at www.raute.com.



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